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**SF 2033** – Education Programs, Race to the Top (LSB5609SV)  
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Fiscal Note Version – New

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### **Description**

**Senate File 2033** modifies Iowa Code to meet the requirements of the federal Race to the Top (RTTT) initiative. The U.S. Department of Education is awarding federal RTTT grants to States that can demonstrate education innovation and reform, including the ability to improve student achievement. Additionally, enactment of the Bill will qualify school districts with persistently lowest achieving schools eligible to receive U.S. Department of Education School Improvement grants. The Bill provides the following:

- Eliminates the repeal of Iowa's Charter School legislation. Under current law, Code Chapter 256F will be repealed July 1, 2011.
- Eliminates the cap on the number of charter schools that may be authorized in the State.
- Creates Innovation Zone schools consisting of two or more school districts and an area education agency with the goal of improving student learning.
- Directs the Department of Education director to require persistently lowest-achieving schools to implement at least one of the interventions mandated by the U.S. Department of Education.

### **Assumptions**

If the State of Iowa is awarded a RTTT grant, the Department of Education would retain 50.0% of the award and the remaining 50.0% would be allocated to participating school districts. Any administration, implementation, and additional staff costs incurred by the Department as a result of the RTTT requirements would be funded with RTTT grant funds. Additionally, it is assumed that the Department would also cover school district staff training costs as a result of the RTTT initiative through RTTT grant funds.

### **Fiscal Impact**

No State General Fund impact is anticipated.

If Iowa is awarded a Race to the Top grant, the estimated federal grant could total between \$60.0 - \$175.0 million between FY 2011 – FY 2014.

If Iowa is awarded School Improvement grants for the persistently lowest achieving schools, the estimated grant could total approximately \$18.0 million (maximum of \$500,000 per eligible school).

## **Sources**

Race to the Top Fact Sheet, Iowa Department of Education  
Iowa Department of Education  
U.S. Department of Education, School Improvement Grants Application  
Legislative Services Agency analysis

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/s/ Holly M. Lyons

January 13, 2010

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), [Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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